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RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
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UNCLAS JERUSALEM 001921

SIPDIS

SENSITIVE
SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE/BELGRADE; NSC FOR ABRAMS/WATERS;
TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON; BRUSSELS FOR
LERNER

E.O. 12958: N/A

TAGS: [ECPS](#) [BEXP](#) [EINV](#) [KWGB](#) [IS](#)

SUBJECT: POST ADVOCATES FOR MOTOROLA IN ADVANCE OF SPECTRUM
ALLOCATION FOR SECOND MOBILE PHONE NETWORK

REF: JERUSALEM 1453

1. (SBU) Summary: Econoff and FCS specialist called on Allan Richardson, CEO of Wataniya Palestine, on September 5 in Ramallah to advocate on behalf of Motorola's tender for Wataniya's mobile network construction. Richardson said that Wataniya has chosen Ericsson to construct its West Bank network, but that Motorola remains competitive for the USD 100 million Gaza construction tender. Richardson said that he expects the GOI to allocate the necessary spectrum in the coming weeks, allowing Wataniya to begin its West Bank mobile network operations. The Palestinian Authority (PA) Ministry of Telecom also expects the frequency to be released by the GOI in September, which would trigger payment of Wataniya's USD 355 million license fee to the PA. Within the West Bank, the creation of a second mobile network is expected to create 2500 jobs and USD 150 million of construction contracts. End summary.

Wataniya Chooses Ericsson over Motorola

2. (SBU) Econoff and FCS specialist met with Wataniya Palestine CEO Allan Richardson on September 5 in Ramallah to advocate for Motorola, who bid on Wataniya's tender for its mobile network construction. Richardson said that Wataniya had recently chosen Swedish company Ericsson as the winner of the mobile network construction tender in the West Bank. He added that Motorola remains competitive to secure the Gaza mobile network construction tender, which is roughly USD 100 million, yet remains outstanding due to the continued closure of Gaza.

PA Requests Release Of Frequencies
Will Trigger Payment of USD 355 Million

3. (SBU) Wataniya, despite winning the bid for the second mobile operator license in September 2006, has not been able to close on contracts to begin its mobile network operations, as the GOI has not allocated the necessary spectrum to the PA. Richardson said that he expects the GOI to allocate the frequency in the "coming weeks," which will trigger payment of its license fee of USD 355 million to the PA Treasury.

4. (SBU) Deputy Minister of the Ministry of Telecom and Information Technology (MoTIT) Sulaiman Zuhairi told econoff September 6 that he expects the GOI will allocate the frequency in September 2007. Zuhairi sent a letter to the

GOI on September 5, repeating MoTIT's numerous requests to the GOI since 2003 for the release of frequencies to the PA. (Post has emailed a copy of Zuhairi's letter to NEA/IPA and Embassy Tel Aviv).

Second Mobile Operator's Economic Impact

15. (SBU) Richardson underscored the Wataniya deal's potential benefit to the Palestinian economy, stating that his company expects to hire directly some 500 Palestinians and indirectly another 2000 via telecom network construction contracts. He said Wataniya Palestine plans to invest USD 150 million in West Bank network infrastructure projects, including the construction of towers, antennas, and switches.

WALLES